MINUTES OF SPECIAL CALLED MEETING OF THE CITY OF SAN JUAN COMMISSION

DATE:	Monday, March 29, 2021
TIME:	5:15 p.m.
PLACE:	San Juan Memorial Library Multipurpose Meeting Room 1010 S. Standard San Juan, Texas 78589
MEMBERS PRESENT:	Mario Garza, Mayor Leonardo "Lenny" Sanchez, Mayor Pro-Tempore Ernesto "Neto" Guajardo, Commissioner Marco "Markie" Villegas, Commissioner Criselda Palacios, City Attorney
STAFF PRESENT:	Benjamin Arjona, City Manager Diana Cavazos, City Secretary Leroy Gonzalez, Director of Finance Maria Beltran, Asisstant Finance Director Adelaida Cordero, Director of Human Resources

ORDER OF BUSINESS

I. CALL MEETING TO ORDER:
Mayor Mario Garza called meeting to order at 5:15 p.m.

II. DISCUSSION AND POSSIBLE ACTION ON THE FOLLOWING MATTERS:

A. Consideration and Approval of the Annual Audited Financial Report for the City of San Juan, Texas for Fiscal Year Ending September 30, 2020

DISCUSSION: Mr. Benjamin Arjona, City Manager presented the item and stated Mr. Manuel Garcia was present. MR. Garcia stated we have a breakdown of what we just went through on the governmental funds such as assets, liabilities and fund balance all on one page. Then we have the general fund then we have the debt service fund, the EDC fund and the non-governmental funds. Garcia stated we have some reserves on the general fund for inventories and then we have a reserve for $4,000,372.00 and in the economic development, the edc fund we have investments of $301,000.00 and $1,000,137.00 and $219,000.00. Down below we show debt, which is very little on this one with $14,000 and has an economic development fund balance of $2,000,208.00. On the non-major funds, we have assets of $13,000,000.00 most of it in cash and investments and then below we have due to others $3,000,019.00 and then below we have the reserves and the assign fund balances.mr. Garcia further stated at the very top we have economic development, municipal court, federal state plan restriction, other purposes. All of it is used up; because we sent you a special revenue. Mr. Garcia stated on the next two pages, pages 10 and 11, we have a more detail on the different funds and the different revenues and expenditures that they had. On the revenues, on page 11 we have a comparison between 20 and 19 and if you look at the column for 2020, on the left side we have property taxes and sales taxes and franchise all of those items increased from last year. Property taxes $7,500,000.00, $8.056,000 this year, we have $4,000,500.00 on sales taxes vs $4,000,199.00 last year, franchise taxes $959 vs $951, All of the major revenues increased from last year. The other item here is the inter-governmental revenues of $6,000,106.00 compared to $1,000,184.00 the previous year so in total you have $21,000,00.00 coming in. Mr. Garcia stated down below we have the expenditures and expenditures also went up, last year we had $16, 000, this year you have $20,000 and most of the categories went up beginning with the general government, public safety had a major increase, public works, parks and recreation and non-departmental expenditures and below that are your capital outlay and debt service. On the debt service we paid $3,000,424.00 in physical payments $818,000. next we have the non-governmental funds $3,325,000, edc had $1,100,000. Mr. Garcia further stated in this section we have an excess of revenues expense of $7,000,000 and we had $11,000,000 fund balance of $18,000,000 this year, this is all in governmental funds. Mr. Garcia further stated in page 14, we have the utility fund, sewer and then the solid waste and the non-major enterprise funds and the total for the year 2020 and 2019. On the top you have the cash balances investments, and restricted cash investments, this year we have $11,000,000 vs $13,000,000 and as you spend the money on the project, it reduces also. We have the utility receivable $1,700,000 to $13,000,000 and due from others $1,721,000 and solid waste $2,053,000. Then we have the non-depreciable assets and constructional progressed then we have the principal assets, last year we have $29,000,000 in the principal assets, this year we have $33,000,00 we have $16,000,000 last year on non-depreciable assets and this year we have $13,000,000 down below we have the liabilities, accounts payable and we go down to the long-term debt, we have $1,600,000 and $1,500,000 this year. Mr. Garcia stated down below we have the capital assets which pretty much fallows the front page as far as the numbers, we have the deposits, the service and it's the same as the accountant that we use here. On page 15 we have the statement of income and this gives you more detail information than the one we had because we have it in a format that everybody is used to, we have the revenues on top and the expenditures down below and the utility fund, we start with the water sale of $2,400,000 and last year was $2,300,000 sewer of $2,700,000 vs $2,500,000 and then we have the fees on the garbage $3,100,000 vs $3,104,000, all the revenues went up this year. Mr. Garcia added we have the operated expenses if you look at the personnel expenses, we have the totals of 2020 and 2019 and see that they all went up $2,600,000. Mr. Garcia further stated if we go to page 67 -68 that will give you more detail breakdown on non-major enterprise and you can understand all the activities that are taking place and have all the funds. Garcia also went over the activity for the year and stated most of these funds don't have a lot of activity right now as far as coming in we have $14,000; we have expenditures total of $924,000 for the year. On page 63 and 64 are the activities for this fund this year, at the very top are the revenues over all you have $1,620,000 and the expenditures were $1,055,000 with a total balance of 1,213,000. Mr. Garcia stated we issue two reports with compliance issues and in the back on page 77 you have the federal schedule and the federal schedule we are listing all the federal monies, state monies that the city gets. We have the federal expenses for the year and then on page 78 we have a total on federal and state expenditures $5,963,000 for the year. On page 81 and 82 we have the schedule of finance responses on page 83 and then we have a financial section of the year, here we have what the city needs to work with, we have a new one this year, debt recording and unrecording transaction. Basically, the city didn't record any of the debt transactions this year. We had to come in and finish it off and this is the only reason this year and that was the main reason for that but it's not the cities' fault. Mr. Garcia added that I know it's a lot of information to take in at once but if you feel that you need more time to review it, we can always come back and go through it again.

Commissioner Marco "Markie" Villegas made motion to approve the audit as presented and was seconded by Commissioner Ernesto "Neto" Guajardo. Motion Passed (4-0)

Mayor Mario Garza made motion to for Recess at 5:20 p.m. and was seconded by Commissioner Marco "Markie" Villegas. Motion Passed (4-0)

Commissioner Ernesto "Neto" Guajardo made motion to reconvene at 5:39 p.m. and was seconded by Commissioner Marco "Markie" Villegas. Motion Passed (4-0).

III. APPOINTMENT:

A. Appointment of Legal Services to Represent Civil Service Commission.

Mayor Mario Garza made motion to recommend Allen T. Ozuna and was seconded by Commissioner Marco "Markie" Villegas. (4-0).

IV. ADJOURMENT 6:25 p.m.

Commissioner Ernesto "Neto" Guajardo made motion to Adjourn at 6:25 p.m. and was seconded by Mayor Pro Tem Leonardo "Lenny" Sanchez. Motion Passed (4-0).

CITY OF SAN JUAN, TEXAS

Mario Garza, Mayor

ATTEST:

Brenda Escalante, Interim City Secretary